

CONDITIONS OF THE PLN LUX ASTRAEUS LINKED NOTES
ISIN: AT0000A1PL51

CONDITIONS OF THE PLN LUX ASTRAEUS LINKED NOTES

*If Notes are issued in definitive form, the terms and conditions of the Notes (the **Conditions** and each a **Condition**) will be as set out below. The Conditions will be endorsed on each definitive Note if they are issued. While the Notes remain in global form, the same terms and conditions govern the Notes.*

The up to 320 notes (the **Notes** or **PLN Lux Astraesus Linked Notes**, which expression shall in these Conditions, unless the context otherwise requires, include any further Notes issued pursuant to Condition 18), having the aggregate nominal value not exceeding EUR 40,000,000, are issued by PLN Lux SA, a public limited liability company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 6, rue Eugène Ruppert, L-2453 Luxembourg, registered with the Luxembourg trade and companies register under number B.208370 (the **Company**), being subject, as an unregulated securitisation undertaking, to the Luxembourg act dated 22 March 2004 on securitisation, as amended (the **Securitisation Act 2004**) and acting in respect of its Compartment 2 (the **Issuer**). References to the Issuer may where relevant and if the context so requires, be construed as a reference to the Company.

The Notes bear the ISIN AT0000A1PL51.

1. DEFINITIONS

Agency Agreement means the paying and calculation agency agreement dated on 18 November 2016 and made between the Issuer and the Calculation and Paying Agent.

Agents means the Calculation and Paying Agent, the Structuring Agent and any other agents that may be appointed by the Issuer in connection with the Notes and **Agent** means any of them.

Austria means the Republic of Austria.

Business Day means a day (other than a Saturday and a Sunday) on which credit institutions are open for general business in Austria and Luxembourg and which is also a TARGET2 Day.

Calculation and Paying Agent means Capital Bank – GRAWE Gruppe AG or its successor(s).

Calculation Day means the last day of a calendar month.

Calculation Period means, in respect of the relevant Calculation Day, the period starting (but excluding) the previous Calculation Day and ending on (and including) that Calculation Day.

Called Amount means, in respect of each Note, an amount equal to the Specified Denomination of the Notes multiplied by the relevant Call Factor.

Call Factor means a value specified by the Issuer in its sole discretion prior to each Capital Call for the purpose of determining the portion of the Specified Denomination by which the Principal Amount Outstanding will be increased.

Capital Call has the meaning given to such term in Condition 2.2(a).

Capital Call Notice has the meaning given to such term in Condition 2.2(a).

Cash Component has the meaning given to such term in Condition 8.2.

Commitment has the meaning given to such term in Condition 2.1(a).

Commitment Amount means the amount of the Commitment of each Commitment Holder as recorded by the Depositary.

Commitment Holder has the meaning given to such term in Condition 2.1(a).

Companies Act 1915 has the meaning given to such term in Condition 13.

Compartment means the compartment called “Compartment 2” created by the Issuer in connection with the issue of the Notes and to which the Notes and, among other things, the Hedge Assets have been, or will be (as the case may be), allocated (where compartment has the meaning given to this term in articles 62 *et seq* of the Securitisation Act 2004).

Compartment Assets means the following assets allocated at any given time to the Compartment: (i) the Hedge Assets, (ii) any assets (other than cash) received by the Issuer in connection with the Hedge Assets, (iii) the Compartment Cash and (iv) the rights of the Issuer under any agreements entered into in connection with the Notes.

Compartment Asset Value means the amount calculated by the Calculation and Paying Agent on each Calculation Day in accordance with the formula set out in Condition 8.7.

Compartment Cash means any cash of the Issuer allocated to the Compartment, but excluding the Provisions (if any), the Set-up Fee and the Structuring Reserve Ledger.

Compartment Priority of Payments has the meaning given to such term in Condition 5.2(b).

Costs Allowance means the amount calculated by the Calculation and Paying Agent on each Calculation Day in accordance with the formula set out in Condition 8.8.

Costs Priority of Payments means that the Payable Costs shall be paid by the Issuer in the following order of priority:

first, the Pro Rata Operational Costs allocated to the Compartment;

secondly, any fees due to the auditor for the audit of the Compartment; and

thirdly, the Transaction Costs (excluding audit fees referred to above) (*pari passu* and pro rata among them).

Depositary Bank means Capital Bank – Grawe Gruppe AG or its successor(s).

Euro or **EUR** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

Final Redemption Amount means the product of (i) the Principal Amount Outstanding and (ii) the Note Net Asset Value as of the Calculation Day immediately preceding the Maturity Date.

Final Redemption Notice has the meaning given to such term in Condition 10.1(a).

Full Repayment means, in respect of each Note, that the Issuer has paid in full to the relevant Noteholder the Final Redemption Amount, the final Partial Redemption Amount (if any), any accrued Interest Amount (if applicable) and no more amounts are expected to be paid by the Issuer in respect of the relevant Note.

Fund Capital Proceeds means discretionary amounts in the nature of capital proceeds (including the sale proceeds of any distributions in specie) received by the Company from the Reference Fund in respect of the Reference Participation, as reported by the Company to the Calculation and Paying Agent.

Fund Income Proceeds means discretionary amounts in the nature of income proceeds received by the Company from the Reference Fund in respect of the Reference Participation, as reported by the Company to the Calculation and Paying Agent.

Global Note has the meaning given to such term in Condition 3.1(b).

Hedge Assets has the meaning given to such term in Condition 5.1.

Initial Capital Call Notice has the meaning given to such term in Condition 2.2(b).

Interest Amount has the meaning given to such term in Condition 9.

Interest Calculation Date has the meaning given to such term in Condition 9.

Interest Payment Date means any of the following dates: 31 May and 30 November in each calendar year.

Issue Date means the date on which the Notes will be issued as specified in the Initial Capital Call Notice.

Investment Component has the meaning given to such term in Condition 8.2.

Issue Proceeds means the aggregate Called Amounts received by the Issuer in respect of the Notes.

Loan has the meaning given to such term in Condition 5.2(f)(ii).

Luxembourg means the Grand Duchy of Luxembourg.

Maturity Date means the date falling no later than five (5) Business Days after the Calculation Day immediately following the last and final distribution of Fund Capital Proceeds or Fund Income Proceeds (whichever comes last) made in connection with, and for the purpose of, the dissolution of the Reference Fund.

Note Net Asset Value means, in respect of each Note, the value calculated on the relevant Calculation Day in accordance with the formula set out in Condition 8.9.

Noteholders means the holders of one or more Notes and **Noteholder** means any of them.

Objective of the Strategy has the meaning given to such term in Condition 8.1.

Operational General Costs means any operational costs (such as, audit costs, corporate services costs, registration costs, publication costs, costs relating to the convening and holding of general meetings or any other costs generally payable by the Issuer in connection with its business) that are incurred and will be incurred by the Company and that cannot be allocated to a specific compartment created from time to time by the Company, but excluding any direct and indirect taxes and duties. The Company is entitled to create a budget for Operational General Costs that the Company is likely to incur in the future and for which the amount can be determined or approximated upfront (the **Budget**). The Company can divide such Budget in monthly instalments (the **Instalments**) and take account of such Instalments in the determination of Operational General Costs.

Partial Redemption Amount means, in respect of each Note and subject at all times to Condition 10.2(b), (A) divided by (B), where (A) is the aggregate amount of the Fund Capital Proceeds minus (i) the accrued but unpaid Payable Costs, payments under the Loans (if any) and Taxes and (ii) any Provision and (B) is the aggregate number of the outstanding Notes.

Partial Redemption Date means the date falling no later than on the tenth (10th) Business Day after the Issuer and/or the Calculation and Paying Agent becomes aware that the Company has received any Fund Capital Proceeds from the Reference Fund.

Payable Costs means the sum of the Transaction Costs and the Pro Rata Operational Costs, which are payable by the Issuer in accordance with the Costs Priority of Payments.

Principal Amount Outstanding means, in respect of each Note, on any date (i) the aggregate amount of the Called Amounts paid by the Noteholder in connection with the issue of the Note on the Issue Date and upon each subsequent Capital Call, minus (ii) the aggregate amount of all Partial Redemption Amounts paid in respect of that Note by the Issuer prior to such date in accordance with Condition 10.2.

Pro Rata Operational Costs means the Operational General Costs which will be allocated by the Company, on a half yearly basis in arrears, to all the existing compartments of the Company, on an equal basis and *pro rata temporis* for compartments in existence within such half year, provided that the relevant issue documentation does not exclude that the Operational General Costs may be borne by a specific compartment.

Provision has the meaning given to such term in Condition 5.2(c).

Reference Fund means LPE II LP.

Reference Portfolio has the meaning given to such term in Condition 8.2.

Reference Participation means the participation held by the Company in the Reference Fund.

Set-up Fees means fees and expenses of the Issuer in the amount of up to 0.25 % of the aggregate nominal value of the issued Notes payable in connection with the issue of the Notes.

Specified Denomination has the meaning given to such term in Condition 3.1.

Strategy has the meaning given to such term in Condition 8.1.

Strategy Component has the meaning given to such term in Condition 8.2.

Strategy Composition has the meaning given to such term in Condition 8.2.

Strategy Description has the meaning given to such term in Condition 8.1.

Strategy Level has the meaning given to such term in Condition 8.3(b).

Strategy Sponsor has the meaning given to such term in Condition 8.1.

Structuring Agent means Capital Bank – Grawe Gruppe AG or its successor(s).

Structuring Commission has the meaning given to such term in Condition 5.2(b)(i).

Structuring Reserve Ledger has the meaning given to such term in Condition 5.2(d).

TARGET2 Day means any day on which the TARGET2 System is open.

TARGET2 System means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.

Taxes means (i) all direct and indirect taxes and duties due from the Issuer to the tax authorities in connection with the issue, redemption or repurchase of the Notes, the acquisition, sale or transfer of the Hedge Assets or otherwise relating to the Compartment and (ii) the relevant share of direct and indirect taxes and duties incurred by the Company that cannot be allocated to a specific compartment created from time to time by the Company and that has been allocated to the Compartment.

Tax Jurisdiction means the Grand Duchy of Luxembourg or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes.

Transaction Costs means any costs, fees and disbursements that the Issuer has incurred and will incur, directly or indirectly, in connection with the Compartment, including but not limited to costs, fees and disbursements in connection with (i) the acquisition of the Hedge Assets, the sale and transfer of the Hedge Assets and, where applicable, enforcement of the Hedge Assets, the issue of the Notes (including the Set-up Fees), the redemption of the Notes (together, the **Transactions**), (ii) the appointment of any agent or servicer in connection with the Transactions (including but not limited to the Calculation and Paying Agent), (iii) the setting-up, the management and the liquidation of the Compartment, (iv) the organisation of general meetings of the Noteholders, the obtaining of the Noteholders' consent and the holding of board meetings held in respect of the Compartment, and (v) the making of tax claims, but excluding (A) any direct and indirect taxes and duties, (B) the Structuring Commission and (C) any payments under the Loans.

Undrawn Commitment means, on any date, the Commitment Amount minus the current aggregate Principal Amount Outstanding of the Notes corresponding to the relevant Commitment.

2. NOTEHOLDER COMMITMENT

2.1 Commitment

- (a) On or prior to the Issue Date, each initial subscriber to the Notes, which are partially paid in accordance with Condition 3.2, shall enter into a separate binding contractual non-cancellable obligation to subscribe for and pay up the Notes to the extent of the Commitment Amount (the **Commitment**). A person who holds the Commitment at any given time shall be referred to herein as **Commitment Holder**. The minimum Commitment per Commitment Holder shall be EUR 375,000.
- (b) The Commitment remains valid until the Maturity Date of the Notes. Any time until the expiry of the Commitment, the Issuer may, but is not required to, request each Commitment Holder to subscribe to, or pay up, the Notes (as the case may be) in one or more instalments up to the amount of the Undrawn Commitment calculated at the time of such request.
- (c) For the avoidance of doubt, if the Issuer pays Partial Redemption Amounts in respect of the Notes in accordance with Condition 10.2, thereby reducing their Principal Amount Outstanding, the Undrawn Commitment of the relevant Commitment Holder will be increased by the aggregate amount of the Partial Redemption Amounts paid in respect of the Notes corresponding to the Commitment.

2.2 Capital Call Notice

- (a) The request by the Issuer for a drawdown under the Commitment (a **Capital Call**) shall be made by way of a notice (a **Capital Call Notice**) sent to each Commitment Holder in

accordance with Condition 19 and deemed delivered at least three (3) Business Days prior to the relevant payment date.

- (b) A Capital Call Notice served by the Issuer prior to the issue of the Notes (an **Initial Capital Call Notice**) shall at least specify: (i) the aggregate Called Amounts payable by the relevant Commitment Holder in respect of the Notes to be subscribed by it, (ii) the relevant payment modalities, including the date by which the payment of the Called Amounts shall be made, (iii) the number of the Notes to be issued to the Commitment Holder, and (iv) the Issue Date.
- (c) Each subsequent Capital Call Notice shall at least specify: (i) the aggregate amount of the Called Amounts payable by the relevant Commitment Holder in respect of the Notes corresponding to its Commitment, (ii) the relevant payment modalities, including the date by which the payment of the Called Amounts shall be made, and (iii) the Principal Amount Outstanding of each Note after the payment of the relevant Called Amounts.

2.3 Transfer of the Commitment

- (a) Subject at all times to a prior written consent of the Issuer, a Commitment Holder may transfer all or part of its Undrawn Commitment together with, or separately from, the Notes it holds.

3. FORM, DENOMINATION AND TITLE

3.1 Form and Denomination

- (a) The Notes will be issued in bearer form and will, in the case of definitive Notes, be serially numbered. The Notes may not be exchanged for Notes in registered form. Each Note will have a nominal value of EUR125,000 (the **Specified Denomination**) and the aggregate nominal value of the Notes shall not exceed EUR40,000,000.
- (b) Upon issue, all the Notes will be represented by one or more global certificates in bearer form (each, a **Global Note** and together, the **Global Notes**), which will be deposited with the Depository Bank on or about the relevant Issue Date. The Global Note will be exchangeable for definitive Notes only in limited circumstances.

3.2 Partly paid notes

- (a) The Notes will be issued on the Issue Date on a partly paid basis. Following the receipt of a First Capital Call Notice, a Noteholder will subscribe to the Notes by paying the relevant Called Amount to the Issuer on or prior to the Issue Date. On the Issue Date, the Principal Amount Outstanding of each Note will be equal to the Called Amount specified in the Initial Capital Call Notice.
- (b) Any time after the Issue Date, the Commitment Holder (who may but is not required to be a Noteholder) has the obligation to make to further payments in respect of each Note corresponding to the relevant Commitment, as and when requested by the Issuer in accordance with Condition 4, each time up to the limit of the Undrawn Commitment. The Principal Amount Outstanding of the Notes will be increased or decreased after the Issue Date to reflect the payments in respect of the Notes from and to the Commitment Holder.

3.3 Transfer and Title

- (a) Definitive Notes

Subject to as set out below, title to the Notes will pass by delivery. The Issuer and the Calculation and Paying Agent will (except as otherwise required by law) deem and treat the bearer of any Note

as the absolute owner thereof (whether or not the Note is overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of the Notes represented by a Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

(b) Global Notes

For so long as the Notes are represented by a Global Note held by or on behalf of Depositary Bank, each person (other than the Depositary Bank) who is for the time being shown in the records (the **Records**) of the Depositary Bank as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by the Depositary Bank as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of a manifest error) shall be treated by the Issuer and the Calculation and Paying Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest (if any) on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer and the Calculation and Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions Noteholder and holder of the Notes and related expressions shall be construed accordingly.

The Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of the Depositary Bank.

3.4 Specific provisions in relation to the Notes in definitive form

A Global Note will become exchangeable in whole, but not in part, for the Notes in definitive form when the Depositary Bank is closed for business for a continuous period of fourteen (14) days, other than public holidays, or permanently ceases business or announces an intention to do so.

Any definitive Notes issued in exchange for the Global Note will be issued in bearer form only. The relevant definitive Notes will be made available by the Issuer to the persons shown in the Records.

The Notes in definitive form will be signed (A) manually or in facsimile by any two members of the board of directors of the Company who are both in office at the time of the issue of such definitive Notes or (B) manually or in facsimile by one member of the board of directors of the Company who is in office at the time of the issue of such definitive Notes and manually by a person to whom the authority to sign has been delegated by the board of directors of the Company, provided that a true certified copy of the instrument delegating such authority to a person who is not member of the board of directors of the Company has been lodged with the Luxembourg trade and companies register (*Registre du commerce et des sociétés, Luxembourg*).

4. FURTHER CAPITAL CALLS

- 4.1 Any time after the Issuer Date but prior to the Maturity Date, the Issuer is entitled, but is not obliged, to make Capital Calls requesting the payment by the Commitment Holder of the Undrawn Commitment in one or more instalments. Such instalment in respect of each Note will be equal to the relevant Called Amount. The request by the Issuer for further drawdowns under the Undrawn Commitment shall be made by way of a Capital Call Notice.
- 4.2 Upon receipt of a Capital Call Notice, each Commitment Holder will pay the relevant Called Amount for each of the Notes corresponding to the Commitment in accordance with the payment modalities specified in the Capital Call Notice.
- 4.3 Following the receipt by the Issuer of the relevant Called Amounts, the Principal Amount Outstanding of each Note will be increased by the amount equal to the Called Amount specified in

the relevant Capital Call Notice. For the avoidance of doubt, the Principal Amount Outstanding of any Note shall not exceed, at any given time, the Specified Denomination.

5. COMPARTMENT ASSETS

5.1 Risk hedging

In order to hedge its payment obligations in respect of the Notes, the Issuer will apply the net Issue Proceeds of the Notes to subscribe for securities issued by the Reference Fund (the **Hedge Assets**). The Hedge Assets held by the Issuer from time to time will be allocated to the Compartment. The Issuer will endeavour to hold at any time the Hedge Assets that are, in its reasonable opinion, suitable to ensure full and punctual payment of the amounts due to the Noteholders under the Notes..

5.2 Compartment Priority of Payments

(a) On each Calculation Day, the Calculation and Paying Agent will calculate the Compartment Asset Value and the Costs Allowance.

(b) In respect of each Calculation Period ending on the relevant Calculation Day, any distribution of the Compartment Assets will be made in accordance with the following order of priority and in the following manner (the **Compartment Priority of Payments**)

first, the Issuer will pay any accrued and unpaid Taxes (if any) or make a Provision in respect of such Taxes (without double-counting);

secondly, the amount equal to the Costs Allowance will be set aside to be used for the payment, in accordance with the Costs Priority of Payments, of any accrued but unpaid Payable Costs relating to the relevant Calculation Period and/or to make a Provision (if any) for the future Payable Costs (without double-counting), provided that:

- (i) if the amount of the Costs Allowance is greater than the sum of (i) the accrued but unpaid Payable Costs relating to the relevant Calculation Period and/or (ii) the Provision (if any) for the future Payable Costs (without double-counting), the difference will be payable to the Structuring Agent (the amount of such difference, the **Structuring Commission**), subject to the provisions of Conditions 5.2(d) to 5.2(f)(ii) (inclusive);
- (ii) the Payable Costs for any Calculation Period that have to be settled prior to the relevant Calculation Day (and, therefore, before the Costs Allowance for the Calculation Period can be calculated) will be paid by the Issuer using the amounts of the Structuring Commission (if any) retained by the Issuer in the Structuring Reserve Ledger in accordance with Condition 5.2(d); and
- (iii) a claim of the Structuring Agent in respect of the balance of the Structuring Reserve Ledger (equal, at any given time, to the amount of the accrued but unpaid Structuring Commission less the amounts deducted by the Issuer from the Structuring Reserve Ledger in accordance with Condition 5.2(d)) will rank *pari passu* and *pro rata* with the Payable Costs;

thirdly, if, in exceptional circumstances, the sum of (i) the accrued but unpaid Payable Costs relating to the relevant Calculation Period and/or (ii) the Provision (if any) for the future Payable Costs is greater than the Costs Allowance for that Calculation Period, the Issuer will pay the shortfall out of the Structuring Reserve Ledger or, if the amounts standing to the credit of the Structuring Reserve Ledger are insufficient, using a Loan;

fourthly, the Issuer will pay the amounts due to any other creditor whose claim has arisen in connection with the Compartment (other than the Noteholders or the parties to whom the Issuer owes any amounts referred to in preceding paragraphs of the Compartment Priority of Payments (*pari passu* and *pro rata* among them);

fifthly, the Issuer will make any payments (including interest payments) due under the outstanding Loans (if any);

sixthly, the Issuer will meet claims (if any) of the Noteholders (*pari passu and pro rata among them*) under the Notes then outstanding; and

seventhly, after all the above amounts then due or capable of becoming due have been satisfied, the balance of the Compartment Assets will remain in the Compartment or, in the case of redemption or repurchase by the Issuer of all the Notes outstanding, be paid to the Company.

- (c) If the Issuer is not in a position to determine the exact amount of Taxes, Payable Costs or payments under the Loans (if any), it is entitled to create an accounting provision to account for such Taxes, Payable Costs or payments under the Loans (if any) that the Issuer is likely to incur in the future (the **Provision**). The Provision will be determined by the Issuer in its sole discretion.
- (d) The Structuring Commission accrued on any Calculation Day will not be paid immediately to the Structuring Agent but it will be withheld by the Issuer and recorded in a separate ledger (the **Structuring Reserve Ledger**) in order for it to be used for the payment of the Payable Costs:
 - (i) if such Payable Costs relating to a particular Calculation Period are required to be settled prior to the Calculation Day at the end of the relevant Calculation Period; and/or
 - (ii) if the amount of the accrued but unpaid Payable Costs on the Calculation Day is less than the relevant Costs Allowance but exceeds the amount of the available Compartment Cash; and/or
 - (iii) if the amount of the accrued but unpaid Payable Costs on the Calculation Day exceeds the Costs Allowance, irrespective of whether the Issuer has the Compartment Cash available to pay such Payable Costs.
- (e) The Structuring Reserve Ledger does not form part of, and shall be expressly excluded from, the Compartment Cash. The Structuring Agent may, at its discretion, request from the Issuer, at any time, the payment of the amounts standing to the credit of the Structuring Reserve Ledger.
- (f) If the amount of Compartment Cash is insufficient to pay the Payable Costs in full, the Issuer shall:
 - (i) first, use the amounts (if any) standing to the credit of the Structuring Reserve Ledger; and
 - (ii) second, only if the cash available in the Structuring Reserve Ledger is not sufficient to pay the relevant liabilities in full, borrow the necessary amounts from the Structuring Agent pursuant to one or more short-term loans (each, a **Loan**).

6. STATUS

The Notes constitute direct, unsecured and limited recourse, pass-through debt obligations of the Issuer and rank *pari passu* and rateably, without any preference among themselves, with all other existing direct, unsecured and limited recourse, pass-through indebtedness of the Issuer, which has been or will be allocated to the Compartment but, in the event of insolvency (including bankruptcy, insolvency and voluntary or judicial liquidation), only to the extent permitted by applicable laws relating to creditors' rights generally.

7. NEGATIVE PLEDGE

So long as the Notes remain outstanding, the Issuer may not create or permit to exist any mortgage, lien (other than liens arising by operation of law), pledge, charge or other security interest upon the whole or any part of its present or future assets or revenues allocated to the Compartment to secure any loan debt, guarantee or other obligation unless the Notes share in and are equally and rateably secured by such mortgage, lien, pledge, charge or other security interest, and the instrument creating such mortgage, lien, pledge, charge or other security interest expressly so provides.

8. DESCRIPTION OF THE ASTRAEUS STRATEGY AND OTHER RELEVANT FORMULAS

8.1 Basic principles of the Strategy

The Astraeus Strategy (the **Strategy**) is a strategy that was developed and designed, and is sponsored by the Issuer (the **Strategy Sponsor**) and is calculated by the Calculation and Paying Agent in accordance with this Strategy description (the **Strategy Description**). The Strategy reflects the performance of the Reference Portfolio subject to the deduction of certain fees and costs. The Reference Portfolio (and thus also the Strategy) replicates the investment of the Company in the Reference Fund in accordance with the Strategy Composition (as defined below) (the **Objective of the Strategy**).

8.2 Composition of the Strategy

The **Reference Portfolio** is a portfolio composed of the Strategy Components that are weighed in accordance with the Strategy Composition, where:

Cash Component means a virtual non-interest bearing amount in euro that reflects cash amounts (if any) relating to the Investment Component.

Investment Component means the Company's participation in the Reference Fund, the size of which will be reported by the Company to the Calculation and Paying Agent immediately before each Calculation Day.

Strategy Components means the Investment Component and the Cash Component.

Strategy Composition means the respective shares of the Investment Component and the Cash Component in the Net Asset Value of the Reference Portfolio. The Calculation and Paying Agent shall calculate the actual Strategy Composition on each Calculation Day using the latest data provided by the Company prior to the relevant Calculation Day.

8.3 Calculation of the Strategy Level

(a) Strategy Calculation Agent

The Strategy Sponsor has assigned all rights and duties with regard to the calculation of the Strategy to the Calculation and Paying Agent.

The Calculation and Paying Agent shall apply the rules and methodology described in this Strategy Description. Its application of such rules and methodology shall be conclusive and binding except in case of manifest error.

(b) Calculation method

On each Calculation Day (t), the Calculation and Paying Agent shall calculate the level of the Strategy (the **Strategy Level**). The Strategy Level on the Issue Date is 100 Strategy Points, one Strategy Point corresponding to EUR 1. The Strategy Points are calculated with 2 decimals, for which purpose the third decimal shall be rounded downwards.

The Strategy Level shall be calculated as follows:

$$SL_t = \frac{NAV RP_t}{N} \times 100$$

where:

$$NAV RP_t = IC_t + CC_t$$

(c) Publication of the Strategy Level

The latest Strategy Level shall be published on the website of the Issuer (www.plnlux.lu) once the calculation is made on each Calculation Day.

8.4 Strategy corrections

If the Calculation and Paying Agent determines in its reasonable discretion in respect of a Calculation Day that the net asset value of the Strategy Components used to determine the Strategy Level was incorrect, for instance, because the value of one or more Strategy Components is subsequently corrected, it may correct the relevant Strategy Level within a period of five (5) Business Days after the error became known to the Calculation and Paying Agent.

8.5 Adjustments to the Strategy

If the Strategy Sponsor, acting jointly with the Calculation and Paying Agent, determines in its reasonable discretion that adjustments must be made to the composition of the Strategy as set out in Condition 8.2 above and/or the provisions relating to the calculation of the Strategy as set out in Condition 8.3 above, such adjustments must be approved by an Ordinary Resolution (as defined in the Agency Agreement) of the Noteholders passed in accordance with provisions for convening meetings of the Noteholders set out in the Agency Agreement. Any adjustment of the calculation of the Strategy duly approved by the Noteholders will promptly be published by the Calculation and Paying Agent on the Issuer's website (www.plnlux.lu).

8.6 Disclaimer

The calculation and composition of the Strategy has and will be performed by the Calculation and Paying Agent and the Strategy Sponsor with all due care. However, neither the Strategy Sponsor nor the Calculation and Paying Agent shall give any representation or guarantee for the correctness of the calculation of the relevant market parameters. Neither the Strategy Sponsor nor the Calculation and Paying Agent shall accept any liability for any direct or indirect damage which may result from an incorrect calculation of the relevant market parameters.

8.7 Compartment Asset Value

$$CAV_t = \frac{SL_t \times N}{100} + C_t$$

8.8 Costs Allowance

$$CA_t = CAV_t \times \frac{SF \times n}{365}$$

8.9 Note Net Asset Value

(a) Start figures:

$$NAV_0 = 100,00\%$$

$$SL_0 = 100$$

(b) Calculation of the Note Net Asset Value

$$NAV_t = \frac{CAV_t - CA_t}{N}$$

8.10 Applicable definitions

NAV ₀	net asset value per Note at the Issue Date expressed as a percentage of the Principal Amount Outstanding
NAV _t	net asset value per Note on the Calculation Day expressed as a percentage of Principal Amount Outstanding
CAV _t	Compartment Asset Value on the Calculation Day in EUR
t	the Calculation Day
n	number of days in the Calculation Period
N	the aggregate Principal Amount Outstanding of all the outstanding Notes
SL _t	Strategy Level in Strategy Points (one Strategy Point corresponding to EUR1) calculated in accordance with Condition 8.3
NAV RP _t	net asset value of the Reference Portfolio in EUR
IC _t	net asset value in EUR of the Investment Component (as defined in Condition 8.2) calculated in EUR by the Calculation and Paying Agent based on the values reported by the Reference Fund to the Company
CC _t	value in EUR of the Cash Component (as defined in Condition 8.2)
SF	Structuring factor equal to 0.005
CA _t	Costs Allowance
C _t	amount of the Compartment Cash (excluding, for the avoidance of doubt, cash in the Structuring Reserve Ledger, the Set-up Fees and the Provisions, if any) minus the sum of the accrued but unpaid (i) Taxes, (ii) Payable Costs, (iii) payments under the Loans (if any), and (iv) Interest Amounts

9. VARIABLE INTEREST

9.1 In the event that:

- (a) the Reference Fund pays any Fund Income Proceeds to the Company in respect of the Reference Participation (as reported by the Company to the Calculation and Paying Agent); and/or
- (b) the Issuer determines in its sole discretion that all or part of the available Compartment Cash may be available for distribution to the Noteholders,

the Issuer may, in its sole discretion, pay an Interest Amount in respect of each Note on the next Interest Payment Date. For the avoidance of doubt, the payment of an Interest Amount does not result in the reduction of the Principal Amount Outstanding of the Notes.

9.2 On the fifth (5th) Business Day preceding the relevant Interest Payment Date (an **Interest Calculation Date**), an **Interest Amount** in respect of each Note shall be equal to (A) divided by (B), where:

(A) such amount of the Fund Income Proceeds and the Compartment Cash (if any) as the Issuer may determine in its sole discretion to be available for distribution to the Noteholders minus (x) the accrued but unpaid Payable Costs, payments under the Loans (if any) and Taxes and (y) any Provision;

and

(B) is the aggregate number of the outstanding Notes.

9.3 If the Reference Fund pays any Fund Income Proceeds to the Company on or after the Interest Calculation Date preceding the relevant Interest Payment Date, such Fund Income Proceeds will not be reflected in the calculation of the Interest Amounts payable on that Interest Payment Date, but will be taken into account for the purpose of the payment of Interest Amounts (if any) on the next succeeding Interest Payment Date.

10. REDEMPTION

10.1 Final redemption of the Notes

- (a) The Issuer will redeem all of the outstanding Notes on the Maturity Date by giving to the Noteholders, in accordance with Condition 19, not less than five (5) days' notice (a **Final Redemption Notice**) (which notice shall be irrevocable) expiring on the Maturity Date specified in such Final Redemption Notice.
- (b) If the Final Redemption Notice has been given to the Noteholders pursuant to Condition 10.1(a) above, the Issuer shall redeem each Note by paying the Final Redemption Amount to the holder of such Note on the Maturity Date.
- (c) If no distribution has been made by the Reference Fund in respect of the Reference Participation in connection with, or for the purpose of, the dissolution of the Reference Fund (excluding, for the avoidance of doubt, the Fund Capital Proceeds and/or Fund Income Proceeds that have already resulted in payments being made by the Issuer under these Conditions) and no such distribution is expected to be made in the future, it cannot be excluded that the Final Redemption Amount in respect of the outstanding Notes will be equal to zero. In such a case, a Full Repayment shall be deemed to have occurred in respect

of the Notes and the Principal Amount Outstanding of each Note shall be reduced to zero on the Maturity Date.

- (d) Following the occurrence of the Full Repayment, the obligations of the Issuer under these Conditions shall be fully discharged and the Noteholders shall have no further claim or recourse against the Issuer.

10.2 Partial redemption of the Notes

- (a) If the Reference Fund pays any Fund Capital Proceeds to the Company in respect of the Reference Participation other than in connection with, or for the purpose of the final dissolution of the Reference Fund (as reported by the Company to the Calculation and Paying Agent), the Issuer will (i) pay a Partial Redemption Amount on each Note to the relevant Noteholder on the Partial Redemption Date and (ii) (subject to the provisions of Condition 10.2(b) below) reduce the Principal Amount Outstanding of each Note by an amount equal to such Partial Redemption Amount.
- (b) The Partial Redemption Amount payable in respect of each Note will be rounded down to the multiple EUR1,250 with the cash representing the difference to be retained in the Compartment as Compartment Cash.
- (c) In the case that the payment of a Partial Redemption Amount would have the effect of reducing the Principal Amount Outstanding of a Note to zero, the Principal Amount Outstanding of each Note shall not be reduced to zero but only to EUR1,250 as long as there has been no Full Repayment. All further payments of Partial Redemption Amounts to be made by the Issuer to the Noteholders in accordance with Condition 10.2 will not reduce the Principal Amount Outstanding of the Notes unless and until a Full Repayment has occurred but will be considered as supplemental redemption amounts. The Principal Amount Outstanding of each Note shall be reduced to zero on the Maturity Date.
- (d) The Issuer shall promptly notify the Noteholders in accordance with Condition 19 of the reduced Principal Amount Outstanding resulting from the payment of a Partial Redemption Amount.

10.3 No redemption at the option of the Noteholder

The Notes cannot be redeemed early, whether in whole or in part, at the option of the Noteholders.

10.4 Cancellation

Upon the Full Repayment, the Notes will be cancelled forthwith by the Issuer and may not be reissued or resold and the obligations of the Issuer in respect of the Notes shall be discharged.

11. PAYMENTS

11.1 Payments in EURO

Subject as provided below, payments in respect of the Notes will be made in EUR by credit or transfer to a EUR denominated account of each Noteholder notified by the latter to the Issuer in accordance with Condition 19 (Notices).

11.2 Presentation of definitive Notes

Payments of in respect of Notes in definitive form will be made in the manner provided in Condition 11.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Notes in definitive form at the specified office of the Calculation and Paying Agent.

11.3 **Payments in respect of the Global Note**

- (a) Payments in respect of Notes represented by a Global Notes will be made (subject to as provided below) in the manner specified above in relation to Notes in definitive form and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of the Calculation and Paying Agent. A record of each payment made against presentation or surrender (as the case may be) of any Global Note will be made on such Global Note by the Calculation and Paying Agent to which it was presented or surrendered and such record shall be prima facie evidence that the payment in question has been made.
- (b) The bearer of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer's payment obligations in respect thereof will be discharged *pro tanto* by payment to, or to the order of, the bearer of such Global Note in respect of each amount so paid. Each of the persons shown in the records of the Depository Bank as the beneficial holder of a particular principal amount of Notes represented by such Global Note must look solely to the Depository Bank for his or her share of each payment made by the Issuer to, or to the order of, the bearer of such Global Note. Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as such Global Note is outstanding and the Issuer will be discharged by payment to the bearer of such Global Note in respect of each amount so paid.

11.4 **General provisions applicable to payments**

Every payment in respect of the Notes to or to the account of the Calculation and Paying Agent in the manner provided in the Agency Agreement shall operate in satisfaction *pro tanto* of the relevant obligation of the Issuer in respect of such Notes except to the extent that there is default in the subsequent payment thereof in accordance with the Conditions to the Noteholders.

11.5 **Determinations**

All calculations to be made under these Conditions will be made by the Calculation and Paying Agent. Such calculations will (in the absence of wilful misconduct, bad faith or manifest error) be binding on the Issuer and the Noteholders.

11.6 **Fractions**

When making payments to the Noteholders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest unit.

11.7 **Payments subject to fiscal laws**

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment. The payment made in accordance with the provisions of Conditions 11.1 to 11.6 (inclusive) above shall be a good discharge for the Issuer.

11.8 **Payment Disruption Event**

If for reasons beyond the Issuer's control (i) data required to calculate any amounts payable by the Issuer under these Conditions is unavailable or (ii) the Issuer is unable to redeem, dispose of or otherwise realise the Hedge Assets (if any) or the relevant part thereof (each such event, a **Payment Disruption Event**) and, as a result, the payment by the Issuer of any amounts in respect of the Notes under these Conditions has been delayed, the due date for such payment shall be postponed until the fifth (5th) Business Day after the relevant Payment Disruption Event ceased to exist, For the

avoidance of doubt, the Noteholders will be entitled to any interest or other payment for the delay in receiving the relevant amounts and any such delay shall not constitute a breach of these Conditions.

11.9 Delay in payment and default interest

- (a) The Noteholders will not be entitled to any interest or any other payment for any delay after the due date under the Notes in receiving the amount due as a result of the due date not being a Business Day or if the Noteholders are late in surrendering or presenting the relevant Notes.
- (b) If the Issuer fails to pay any amount payable by it under the Notes on the relevant due date and such delay has been caused by wilful misconduct or gross negligence of the Issuer, interest shall accrue on the overdue amount from the due date up to the date of actual payment at a rate of 4 % per annum.

11.10 Business Days

If a payment date referred to in these Conditions above falls on a day which is not a Business Day, such payment date shall be postponed to the next following day which is a Business Day without the Noteholders being entitled to any interest or other sum in respect of such postponed payment.

12. SECURITISATION ACT 2004

By subscribing for the Notes, or otherwise acquiring the Notes, the Noteholders expressly acknowledge and accept, and will be deemed to have accepted and acknowledged, that the Company (i) is subject to the Securitisation Act 2004 and (ii) has created the Compartment in respect of the Notes to which all assets, rights, claims and agreements relating to the Notes will be allocated. The Noteholders acknowledge and accept the Priority of Payments relating to the Notes. Furthermore, the Noteholders acknowledge and accept that they have recourse only to the Compartment Assets and not to the assets allocated to any other compartments created by the Company or any other assets of the Company. The Noteholders acknowledge and accept that once all the Compartment Assets have been realised, they are not entitled to take any further steps against the Issuer or the Company to recover any further sums due and the right to receive any such sum shall be extinguished. The Noteholders accept not to attach or otherwise seize the assets of the Issuer allocated to the Compartment or to other compartments of the Company or other assets of the Company. In particular, no Noteholder shall be entitled to petition or take any other step for the winding-up, liquidation or bankruptcy of the Company or any similar insolvency related proceedings. In the case of a conflict between the provisions of this Condition 12 and the other Conditions, the provisions of this Condition 12 shall prevail.

13. EXCLUSION OF TERMINATION CONDITION (CONDITION RESOLUTOIRE)

For the avoidance of doubt, no Noteholder may initiate proceedings against the Issuer or the Company based on article 470-21 of the Luxembourg act dated 10 August 1915 on commercial companies, as amended (the **Companies Act 1915**).

14. TAXATION

All payments in respect of the Notes by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes, duties, assessment or governmental charges of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In the event that any withholding tax or deduction for tax is imposed on payments of interest on the Notes, the holders of such Notes will not be entitled to receive grossed-up amounts to compensate for such withholding tax.

15. PRESCRIPTION

- 15.1 Claims against the Issuer for payment in respect of the Notes shall be prescribed and become void unless made within ten years from the date on which the relevant payments were due.
- 15.2 The Luxembourg act dated 3 September 1996 on the involuntary dispossession of bearer securities, as amended (the **Involuntary Dispossession Act 1996**) requires that, in the event that (i) an opposition has been filed in relation to the Notes and (ii) the Notes mature prior to becoming forfeited (as provided for in the Involuntary Dispossession Act 1996), any amount that is payable under the Notes, but has not yet been paid to the Noteholders, will be paid to the *Caisse des consignations* in Luxembourg until the opposition has been withdrawn or the forfeiture of the Notes occurs.

16. MEETINGS OF NOTEHOLDERS, MODIFICATION AND SUBSTITUTION

16.1 Meetings of Noteholders

Articles 470-19 to 470-21 of the Companies Act 1915 are not applicable to the Notes.

The Agency Agreement contains detailed provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification of these Conditions.

16.2 Modification

The Issuer may make, without the consent of the Noteholders, any modification to the Conditions which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated or to reflect any change of law which has an impact on the Issuer's obligations under the Notes.

Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders by way of a written notice in accordance with Condition 19.

16.3 Substitution

The Issuer may, under no circumstances, be replaced as issuer and the principal debtor under the Notes.

17. REPLACEMENT OF NOTES

The replacement of the Notes, in the case of loss or theft, is subject to the procedure of the Involuntary Dispossession Act 1996.

If a Note is mutilated or defaced, the mutilated or defaced, such Note must be surrendered before replacements will be issued.

Expenses and fees incurred by the Issuer in connection with the issue of replacement Notes will be payable by the claimant to the Issuer before replacements will be issued.

18. FURTHER ISSUES

The Issuer may from time to time, without the consent of the Noteholders, create and issue further notes (i) having the same Conditions in all respects as the outstanding Notes so that such further issue shall be consolidated and form a single series with the outstanding Notes, and references in these Conditions to the Notes shall be construed accordingly or (ii) upon such terms and conditions as the Issuer may determine at the time of their issue.

19. NOTICES

19.1 Form of notice

A notice:

- (i) must be in the English or German language; and
- (ii) may be given by the addressor itself, or on behalf of the addressor by a solicitor, director or company secretary of the addressor, or in the case of the Issuer by the Calculation and Paying Agent on the Issuer's behalf.

19.2 Notices to the Noteholders

- (a) So long as the Notes are represented by the Global Note, all notices will be deemed to be validly given if delivered to the Depositary Bank for communication by it to the Noteholders. Any such notice shall be deemed to have been given to the Noteholders on the third (3rd) Business Day after the delivery of the said notice by the Issuer to the Depositary Bank.
- (b) Following the exchange of the Global Note for the Notes in definitive form, all notices will be deemed to be validly given if published on the website of the Issuer (www.plnlux.lu). Any such notice will be deemed to have been given on the date of the first publication.

19.3 Notices to the Issuer

All notices to the Issuer will be deemed to be validly given if sent by registered mail to the Calculation and Paying Agent at its specified office or the Issuer at its registered office as published in the files of the Luxembourg trade and companies register (*Registre du commerce et des sociétés, Luxembourg*) and will be deemed to have been given on the fifth (5th) Business Day after mailing. While the Notes are represented by a Global Note, such notice may also be given by the Noteholders to the Calculation and Paying Agent through the Depositary Bank in such manner as the Calculation and Paying Agent or the Depositary Bank, as the case may be, may approve for this purpose.

20. AGENTS

The Agents act solely as agents of the Issuer and do not assume any obligation or duty to, or any relationship of agency or trust for or with, the Noteholders. The Issuer reserves the right at any time, without the prior approval of the Noteholders, to vary or terminate the appointment of any of the Agents. Notice of any such change will promptly be given to the Noteholders in accordance with Condition 19.

All determinations (including, in the case of the Calculation and Paying Agent, calculations) of the Agents made in respect of the Notes shall be made in their sole and absolute discretion and shall be final, conclusive and binding on the Issuer and the Noteholders in the absence of a manifest error. In particular, the Calculation and Paying Agent, in making any determination, adjustment or calculation in relation to the Notes, shall at all times act in good faith and in a commercially reasonable manner. The Noteholders shall (in the absence of a manifest error as aforesaid) not be entitled to proceed against any of the Agents in connection with the exercise or non-exercise by it of its obligations, duties and discretions in connection with the Notes.

Any of the Agents may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

21. GOVERNING LAW AND JURISDICTION

21.1 Governing Law

The Notes are governed by, and shall be construed in accordance with, Luxembourg law.

21.2 Jurisdiction

The Luxembourg district courts are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes and accordingly any legal action or proceedings arising out of or in connection with the Notes (**Proceedings**) may be brought in such courts. To the extent permitted by law, each of the Issuer and the Noteholders irrevocably submit to the jurisdiction of the Luxembourg district courts and waive any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.